



34th ANNUAL REPORT 2016 – 17

VIAAN INDUSTRIES LIMITED
(Formerly known as Hindusthan Safety Glass Industry Limited)
CIN: L52100MH1982PLC291306
34th Annual Report 2016-2017

CONTENTS

LETTER TO STAKEHOLDER.....	02
NOTICE.....	05
DIRECTORS' REPORT.....	26
SECRETARIAL AUDIT REPORT.....	42
ANNEXURE TO DIRECTORS' REPORT.....	46
CORPORATE GOVERNANCE REPORT.....	57
CERTIFICATE ON CORPORATE GOVERNANCE.....	74
CERTIFICATE ON FINANCIAL STATEMENT.....	75
STANDALONE AUDITOR REPORT.....	76
STANDALONE ACCOUNTS.....	81
CONSOLIDATED AUDITOR REPORT.....	104
CONSOLIDATED ACCOUNTS.....	107
ATTENDANCE SLIP	134
PROXY FORM.....	135
BALLOT FORM.....	137

VIAAN INDUSTRIES LIMITED
(Formerly known as Hindusthan Safety Glass Industry Limited)
CIN: L52100MH1982PLC291306
34th Annual Report 2016-2017

Dear Fellow Shareholders,

FY2017 was a year of significant progress and positive developments at Viaan Industries. We experienced a year of continued momentum, with stability, growth and positive developments across our Company. We grew revenue and cash flow and launched new business segments. It is with enormous satisfaction I present to you the highlights of our Company's performance for the financial year ended March 31, 2017.

During the year, our Company established its presence in the Licensing & Technology business with Viaan Mobiles creating a strong brand value in our target markets. Our passion for creating and developing incredible gaming & animation content, entertainment and wellness has led to our entry in these segments. This will connect millions of people to amazing moments and experiences.

Our momentum heading into 2017 is even more exciting. We have a deep bench of senior leaders, each with a total commitment to growth, innovation, and collaboration.

Today, we are present in:

- Licensing & Technology – Though Viaan Mobiles which has been specially developed for a targeted audience both domestic & international
- Gaming & Animation – With a range of in-house developed games and soon – to – be – aired content
- Wellness – Through Best Naturals – a range of 100% safe ayurvedic products targeted at lifestyle management and Yo – Yo – a frozen yogurt brand

The focus of the Company is to continue to deliver value to our clients; to add value to our franchisees and business partners; give career & growth opportunities to our employees and grow profitability across businesses ultimately

leading to maximization of shareholder value & return.

We are fortunate to have an engaged and experienced Board thinking about the long-term future and helping us convert opportunities into smart businesses and growth opportunities that will keep our Company relevant for decades to come. We have a culture that encourages innovation and entrepreneurialism, while also encouraging connections with the industry that enhance our overall success.

The bedrock for the growth and success of our relatively young Company remains our steadfast commitment to financial discipline, a strong balance sheet, and creating shareholder value

We saw that the global economic scenario continue to be weak. Today India is amongst one of the fastest growing major economies in the world but growth was muted on account of various factors like policy reform setbacks, stress in Indian banking industry and lack of private sector investments amongst others. This affected growth and profitability of companies across sectors. We will continue with the same focus and strength to expand in businesses, where our proactive strategy will form the foundation for growth and innovation.

We are confident that in the coming years, along as our growing population embraces technology and shifts towards healthy lifestyle choices, combined with the growth in domestic consumption & growth in economy, we will not only emerge as a leader domestically but will make our presence felt on a global platform.

BUSINESS PERFORMANCE:

The consolidated financial performance for the 12 months ended March 31, 2017, is as follows:

- Total revenue from operations at Rs. 13,469 Lakhs for the year ended March

VIAAN INDUSTRIES LIMITED
(Formerly known as Hindusthan Safety Glass Industry Limited)
CIN: L52100MH1982PLC291306
34th Annual Report 2016-2017

31, 2017, as against Rs. 3,271 Lakhs for the corresponding previous period, supported by increase in volumes and revenues

- EBIDTA at Rs. 1,111 Lakhs for the year ended March 31, 2017, as against Rs. 11 Lakhs for the corresponding previous period
- EBIT of Rs. 1,079 Lakhs for the year ended March 31, 2017, as against Rs. 5 Lakhs for the corresponding previous period
- EPS for the year ended March 31, 2017 was Re. 1 for a face value of Re. 1 per share

FUTURE PLANS:

Our diversified strategy will lead to a strong performance at a consolidated level and our offerings will distinguish Viaan Industries in a competitive marketplace. We begin 2017 feeling inspired, excited, and purposeful. We have fantastic businesses that strengthen one another, talented people at every level of the organization, a strategy that is working and creating value, a commitment to diversity and inclusion, and a culture with heart and integrity at its core.

India is a growing market for mobile sales and number of mobile phone users is estimated to reach 1 billion by the year 2020. The 'Make in India' and 'Digital India' campaigns provide an additional impetus to this segment. The Wellness industry in India is expected to exponentially bolster by an increase in awareness among the general population and push by government. With 1.3 billion people and two-thirds below age of 35, world's largest youth population India is poised to become one of world's leading providers for Media & Entertainment and Animation segments.

We are enthusiastic about the opportunities we see for new businesses - Best Naturals, Yo-Yo

and Viaan Studios. We have made massive efforts to improve customer service, response to our distributors and franchisees and the overall customer experience. We hope this would lead to impressive financial results and customer metrics in 2017.

We have formed extensive go-to-market strategies for our businesses. We will expand our product portfolio and customer base through targeted marketing initiatives. Some of these include –

- Association with vendors to trade through the Company platform focused at untapped markets in Tier II & Tier III towns/cities
- Partnerships with leading media and entertainment channels for gaming & animation content
- Tie - up with various platforms to market technology product portfolio

Human capital remains the core our success and we have continued and will continue to invest considerable efforts in this direction. We have great, dedicated team and it is an honor to work with them. Their hard work is not only gratifying but critical for us to accomplish what we and our shareholders aim to achieve.

I am grateful to our wonderful employees, customers, and shareholders and partners for supporting us and joining us on this incredible journey going forward.



Ripu Sudan Kundra (Alias Raj Kundra)
Chairman and Managing Director

VIAAN INDUSTRIES LIMITED
(Formerly known as Hindusthan Safety Glass Industry Limited)
CIN: L52100MH1982PLC291306
34th Annual Report 2016-2017

CORPORATE INFORMATION

BOARD OF DIRECTOR

Ripu Sudan Kundra (alias Raj Kundra)	: Managing Director and chairman
Shilpa Shetty Kundra	: Non-Executive Director Non- Independent Director
Darshit Indravadan Shah	: Executive Director/CFO
Nandanadan Mishra	: Independent Director
Pradeep Sanat Shah	: Independent Director (resigned on 23/08/2017)
Mahinderkumar Dayanand Wadhwa	: Independent Director
Satyendra Mohanlal Sarupria	: Independent Director (appointed on 31/08/2017)

BOARD COMMITTEES

AUDIT COMMITTEE

Nandanadan Mishra	: Chairman
Mahinderkumar Wadhwa	: Member
Darshit Indravadan Shah	: Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Nandanadan Mishra	: Chairman
Satyendra M Sarupria	: Member
Darshit Indravadan Shah	: Member

NOMINATION & REMUNERATION COMMITTEE

Mahinderkumar Wadhwa	: Chairman
Nandanadan Mishra	: Member
Darshit Indravadan Shah	: Member
Satyendra Mohanlal Sarupria	: Member

COMPLIANCE OFFICER

Ripu Sudan Kundra (alias Raj Kundra)
4th Floor, C Wing,
Sahar Classique, Opp P & T Colony,
Sahar Road, Andheri (East),
Mumbai- 400099

LISTED AT

BSE Limited

AUDITOR

Sekhari Kanodia & Associates

(Chartered Accountants)

603A Brookhill Towers, 3rd Cross Rd,
Lokhandwala Complex, Andheri (W),
Mumbai -400053

Tel No: 022-26324210/26366300

E-Mail: sekhrico@rediffmail.com

Website: www.skaindia.in

REGISTRAR & SHARE TRANSFER AGENT

Purva Sharegistry (India) Private Limited

No. 9, Shiv Shakti Industrial Estate, Ground
Floor, J R Boricha Marg, Opp. Kasturba
Hospital, Lower Parel, Mumbai- 400011,
Maharashtra

REGISTERED OFFICE

4th Floor, C Wing,
Sahar Classique, Opp P & T Colony,
Sahar Road, Andheri (East),
Mumbai- 400099
Tel No. 022-49179999
Email ID: hindusthansafety@gmail.com.
Website: www.v-ind.com

VIAAN INDUSTRIES LIMITED
(Formerly known as Hindusthan Safety Glass Industry Limited)
CIN: L52100MH1982PLC291306
34th Annual Report 2016-2017

NOTICE

Notice is hereby given that the 34th Annual General Meeting of **VIAAN INDUSTRIES LIMITED** (Formerly known as Hindusthan Safety Glass Industry Limited) will be held at, on Thursday 28th September, 2017 at 11.00 a.m. at Sri Guru Nanak Sachkhand Darbar, Dharam Sheel Community Hall, Block No.5/6, Room No.1, Mulund Colony, Opp. Youth Circle, Mulund (West), Mumbai - 400082, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2017, the Profit & Loss Account of the Company for the financial year ended on that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Darshit Indravadan Shah (DIN 06614591), who retires by rotation, and being eligible, offers himself for re-appointment.
3. To consider and if thought fit to pass with or without modification(s) the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 (1) and applicable provisions, if any, of the Companies Act, 2013 and rules, circulars, notifications made/issued thereunder, including any amendments, modification, variation or re-enactment thereof, the appointment of M/s. Sekhri Kanodia & Associates, Chartered Accountant, Mumbai, bearing Firm Membership No. 109389W as the Statutory Auditors of the Company, which has been approved at the Annual General Meeting held on 28th September, 2015 for a term of 5 years, i.e. till the conclusion of Annual General Meeting of the Company to be held in the year 2020, be and is hereby ratified and to fix their remuneration.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and/or otherwise considered by them to be in the best interest of the Company including fixation of their remuneration and reimbursement of out of pocket expenses incurred in connection hereto.”

Special Business

4. Issue of Equity Shares on Preferential Basis:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to provisions of Section 23, 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and in accordance with the existing Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (hereinafter referred to as “SEBI (ICDR) Regulations”) and other Regulations/Guidelines issued by the Securities and Exchange Board of India (SEBI) and other applicable laws, as may be applicable, and subject to all necessary approvals, consents, permission and/or sanctions of the Government of India, Reserve Bank of India, Foreign Investment Promotion Board, SEBI and/or any other competent authorities and the enabling

VIAAN INDUSTRIES LIMITED
(Formerly known as Hindusthan Safety Glass Industry Limited)
CIN: L52100MH1982PLC291306
34th Annual Report 2016-2017

provisions of the Memorandum of Association and Articles of Association of the Company and the Listing Agreement entered into by the Company with Stock Exchanges where the shares of the Company are listed and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions or sanctions and which may be agreed to by the Board of Directors of the Company and subject to such terms and conditions as may be determined by the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall include any Committee which the Board may constitute to exercise its powers including powers conferred by this Resolution), the consent and approval of the Company, subject to Shareholders' approval be and is hereby accorded to the Board and the Board be and is hereby authorized in its absolute discretion to offer, issue and allot, on preferential basis to Non Promoters up to 1465500 (Fourteen Lacs Sixty-Five Thousand Five Hundred Only) Equity Shares of face value of Re.1/- each at a price of Rs. 29/- per Equity Shares (including premium amount of Rs. 28/- per share), being not lower than the minimum price calculated in accordance with the Regulations for Preferential Issue contained in Chapter VII of SEBI (ICDR) Regulations and on such term and conditions as stated in this resolution to the below mentioned allottees.

RESOLVED FURTHER THAT the equity shares of the Company are frequently traded on BSE Limited (where the shares of the Company are listed) during six months or two weeks preceding the relevant dated as arrived at in accordance with the provisions of Regulation 71 of SEBI (Issue of capital and Disclosure Requirements) Regulations, 2009. "Relevant Date" will be 30 days prior to the date of the meeting of the Shareholders of the Company or in the case where the Relevant Date falls on Weekend/Holiday, the day preceding the Weekend/Holiday will be reckoned to be the Relevant Date.

RESOLVED FURTHER THAT the Board be and is hereby authorized to decide and approve the other terms and conditions of the issue and also to vary, alter or modify any of the terms and conditions in the proposal as may be required by the agencies/authorities involved in such issues but subject to such conditions as the Reserve Bank of India (RBI)/Securities and Exchange Board of India (SEBI)/Financial Institutions/Investment Institutions and/or such other appropriate authority may impose at the time of their approval and as agreed to by the Board;

RESOLVED FURTHER THAT the Equity Shares to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company:

1. The Relevant Date, as stipulated in the Regulations 71 of Securities and Exchange of India (Issue of Capital and Disclosures Requirements) Regulations, 2009 for the purpose of determining the Issue Price of the Equity Shares on Preferential basis of Rs. 29/- each (including premium amount of Rs. 28/- per Equity Shares) shall be thirty (30) days prior to the date of this Meeting or in the case where the Relevant Date falls on Weekend/Holiday, the day preceding the Weekend/Holiday will be reckoned to be the Relevant Date.
2. The equity shares will be issuing and allotting to Non-Promoters of the Company shall be in dematerialized form also.

VIAAN INDUSTRIES LIMITED
(Formerly known as Hindusthan Safety Glass Industry Limited)
CIN: L52100MH1982PLC291306
34th Annual Report 2016-2017

3. The Equity Shares allotted in terms of this resolution shall be subject to the Memorandum and Article of Association of the Company and shall be listed and traded on the Stock Exchanges and shall rank pari passu in all respects with the existing equity shares of the Company including Dividend.
4. The aforesaid Equity Shares shall be subject to a lock-in period in accordance with regulation 78 of the SEBI (ICDR) Regulations, 2009.

RESOLVED FURTHER THAT The Board be and is hereby authorized to decide and approve the other terms and conditions of the issue of Equity Shares, and also shall be entitled to vary, modify or alter any of the terms and conditions, including the issue price on a higher side than mentioned above, as it may deem expedient, without being required to seek any further consent or approval of the Company in a General Meeting.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above mentioned resolutions, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for issue or allotment of the aforesaid Equity Shares and listing thereof with the Stock Exchange as appropriate and to resolve and settle all queries that may arise in relation to the proposed issue, offer and allotment of any of the said Equity Shares, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the Shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of these resolutions.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by these resolutions to any Director or Directors or to any Committee of Directors or to any Officer or Officers of the Company to give effect to the above mentioned resolutions.”

5. Issue of Fully Convertible Debentures (FCD) into Equity on Preferential Basis:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to provisions of Section 23,42,62 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and in accordance with the existing Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (hereinafter referred to as SEBI (ICDR) Regulations) and other Regulations/Guidelines issued by the Securities and Exchange Board of India (SEBI) and other applicable laws, as may be applicable, and subject to all necessary approvals, consents, permission and/or sanctions of the Government of India, Reserve Bank of India, Foreign Investment Promotion Board, SEBI and/or any other competent authorities and the enabling provisions of the Memorandum of Association and Articles of Association of the Company and the Listing Agreement entered into by the Company with Stock Exchanges where the shares of the Company are listed and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting

VIAAN INDUSTRIES LIMITED
(Formerly known as Hindusthan Safety Glass Industry Limited)
CIN: L52100MH1982PLC291306
34th Annual Report 2016-2017

such approvals, consents, permissions or sanctions and which may be agreed to by the Board of Directors of the Company and subject to such terms and conditions as may be determined by the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall include any Committee which the Board may constitute to exercise its powers including powers conferred by this Resolution), the consent and approval of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized in its absolute discretion to offer, issue and allot, on preferential basis to group of Strategic Investors, not forming part of the Promoter Group of the Company up to 1465500 (Fourteen Lacs Sixty-Five Thousand Five Hundred Only) Fully Convertible Debentures into Equity of face value of Re.1/- each at an Issue Price of Rs. 29 /- (including premium amount of Rs.28 /- per Fully Convertible Debentures into Equity) or at the closing price at the time of conversion, i.e. Record Date to be fixed for such conversion & such conversion shall be within a period of 12 months from the date of allotment, whichever is higher & the price being not lower than the minimum price calculated in accordance with the Regulations for Preferential Issue contained in Chapter VII of SEBI (ICDR) Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to decide and approve the other terms and conditions of the issue and also to vary, alter or modify any of the terms and conditions (including price) in the proposal as may be required by the agencies/authorities involved in such issues but subject to such conditions as the Reserve Bank of India (RBI)/Securities and Exchange Board of India (SEBI)/Financial Institutions/Investment Institutions and/or such other appropriate authority may impose at the time of their approval and as agreed to by the Board.

RESOLVED FURTHER THAT the Fully Convertible Debentures into Equity to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT

The Relevant Date for the purpose of determining the minimum Issue Price of the Fully Convertible Debentures into Equity on Preferential basis under SEBI (ICDR) Regulations, 2009 and conversion thereof into equity shares of Re. 1/- each shall be Record Date to be fixed within a period of 12 months from the date of allotment and accordingly the Debentures so issued shall, on exercise of rights attached thereto shall be converted into equal number of equity shares of Re. 1/- each at par as may be determined.

The Equity Shares allotted on conversion of Debentures in terms of this resolution shall be subject to the Memorandum and Article of Association of the Company and shall be listed and traded on all the Stock Exchanges and shall rank pari passu in all respects with the existing equity shares of the Company.

The aforesaid Debentures allotted in terms of this resolution & the resultant Equity Shares arising on exercise of right attached to such Debentures shall be subject to a lock-in period in accordance with regulation 78 of the SEBI (ICDR) Regulations, 2009.

VIAAN INDUSTRIES LIMITED
(Formerly known as Hindusthan Safety Glass Industry Limited)
CIN: L52100MH1982PLC291306
34th Annual Report 2016-2017

The Board be and is hereby authorized to decide and approve the other terms and conditions of the issue of Debentures, and also shall be entitled to vary, modify or alter any of the terms and conditions, including the issue price on a higher side than mentioned above, as it may deem expedient, without being required to seek any further consent or approval of the Company in a General Meeting."

RESOLVED FURTHER THAT the Debentures shall be issued by the Company on the following terms and conditions:

- i. An amount equivalent to 100% of the exercise price of the Equity Shares arising out of the Debentures shall be payable at the time of making the application for Debentures, which will be kept by the Company as a deposit to be adjusted and appropriated against the price of the Equity Shares payable by the Debentures holder at the time of exercising the option.
- ii. In the event of the Debentures holder does not exercise the option of conversion within the Debentures exercise period, the Debentures shall lapse and the deposit of 100% as indicated in point (i) above shall be forfeited by the Company.
- iii. The issue of the Debentures as well as the Equity Shares, arising from the exercise of the option under the Debentures in the manner aforesaid shall be governed by the respective provisions of the Companies Act, the Memorandum & Articles of Association of the Company and various Guidelines/Regulations issued by SEBI or any authority or any modifications thereof.

"RESOLVED FURTHER THAT for the purpose of giving effect to the above mentioned resolutions, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for issue or allotment of the aforesaid Debentures and the resultant Equity Shares to the holders of the Debentures upon exercise of right to subscribe the shares and listing thereof with the Stock Exchange as appropriate and to resolve and settle all queries that may arise in relation to the proposed issue, offer and allotment of any of the said Debentures, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the Shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of these resolutions."

RESOLVED FURTHER THAT for the purpose of giving effect to the above mentioned resolutions, the Board/Committee of Board be and is hereby authorized on behalf of the Company to take all actions and do all such deeds, matters and things (including sub-delegating its power to authorized representatives) as it may, in its absolute discretion, deem necessary, desirable or expedient for issue of Fully Convertible Debentures into Equity, including deciding/revising the dates of allotment, deciding and/or finalizing other terms of issue and allotment in consonance with the ICDR Regulations and listing thereof with the Stock Exchange as appropriate and to resolve and settle all queries that may arise in relation to the proposed issue, offer and allotment of any of the said Debentures & Equity Shares, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as